



AFRICAN EXPORT-IMPORT BANK

ABRIDGED AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

DIRECTORS' COMMENTARY

This communique is issued pursuant to SEM Listing Rules 11.3 and 12.20 and Section 8.8 of the Securities Act of Mauritius 2005.

REVIEW OF FINANCIAL PERFORMANCE

INTRODUCTION

This communique presents and discusses the financial statements of African Export-Import Bank ("the Bank") and its wholly owned subsidiaries (together, "the Group"). The subsidiaries are: a) the Funds for Export Development in Africa (FEDA) comprising FEDA Holdings, FEDA Investment Management, and FEDA Capital; and b) Afreximbank Insurance Management Company (AfrexInsure). The ensuing discussion presents the Group's audited consolidated and separate Statements of Financial Position, Statements of Comprehensive Income, and Statements of Cash Flows for the year ended 31 December 2022.

OPERATING ENVIRONMENT

Although the global economy closed on a strong note in 2021, rebounding from the devastating COVID-19 pandemic, the year 2022 opened with heightened global volatility, uncertainty, and a sharp growth deceleration. Several challenges affected the global economic landscape during the year ended 31 December 2022. These included the ongoing Ukraine crisis, geopolitical tensions, the COVID-19 pandemic, supply chain disruptions, trade tensions between major economies, technology wars, high volatility in the financial markets, and the impact of climate change.

During 2022, the Ukraine crisis was a significant risk factor to the global economy as it caused disruption in energy and grains supplies causing shortages and sharp price increases for gas, crude oils, vegetable oils, grains, fertilisers, and other agricultural inputs. Additionally, the conflict caused trade disruptions and financial market volatility following economic sanctions and other measures imposed on Russia and Belarus. These factors contributed to near global recession in 2022.

Due to supply chain disruptions and the resultant shortages, underlying inflation peaked in most developed economies and remained above pre-pandemic levels throughout 2022. Major global economic players, the United States, European Union (EU), and the United Kingdom experienced the highest inflation levels in decades. The year-on-year inflation levels in the United States, EU, and United Kingdom as at the end of December 2022 were 8 percent, 10.4 percent, and 9.1 percent respectively. China similarly faced inflationary pressures during 2022 as its inflation rate closed the year at 2 percent compared to 0.85 percent at the end of 2021.

Monetary authorities of the major economies increased benchmark interest rates during the year in response to high inflation rates. In the United States, a series of 75 basis point hikes by the Federal Reserve culminated in the benchmark interest rate rising to 4.25 percent by 31 December 2022. The European Central Bank took similar measures and increased interest rates by 75 basis points in September 2022, with the result that the benchmark rates for the Euro zone closed the year at 2.5 percent, a rate markedly higher than the 0.5 percent at the beginning of 2022. The Bank of England's benchmark interest rate of 3.5 percent as at 31 December 2022 reflected a significant increase compared to the 0.25 percent at the beginning of the year. These unprecedented rate hikes pushed borrowing costs to significantly high levels in the United States, the EU, and the United Kingdom.

Largely triggered by the US interest rate hikes, major currencies, including the euro, the British pound, and the Japanese yen, weakened against the US dollar, and this exacerbated market uncertainties.

It is against this backdrop that the International Monetary Fund estimated the global real GDP growth for 2022 at 3.2 percent, followed by a projected decline to 2.9 percent in 2023, with positive growth being expected in 2024.

As in the rest of the world, the growth of African economies was constrained by a combination of geopolitical crises, including the severe impact of the Ukraine crisis, the after-effects of the COVID-19 pandemic, the consequences of global supply chain disruptions, and the resultant financial markets instabilities. These factors saw steep increases in energy and food costs, culminating in high inflation levels. By the end of 2022, the annual consumer price inflation rates for Africa's major economies (Egypt, Nigeria, and South Africa) were estimated at 24.4 percent, 21.3 percent, and 7.2 percent, respectively.

Some oil-exporting economies in Africa benefited from the relatively high oil prices that prevailed. However, most of the African net oil importers were adversely affected. Additionally, because most African countries were net importers of petroleum, grain, vegetable oils and agricultural inputs (fertilisers, chemicals, and machinery) originating from the Black Sea, the respective countries' import bills significantly increased as the crisis caused shortages and price escalations of these products.

Furthermore, with the rise in interest rates in the United States, most African currencies lost substantial value against the US dollar. The combined effect of higher interest rates and a stronger US dollar triggered an increase in borrowing costs, escalation of costs of imports, and debt sustainability concerns on the continent.

Although the impact of the Ukraine crisis, the after-effects of the COVID-19 pandemic, the disruption of the global supply chains, and the turbulence in the financial markets severely impacted the African economies, and remain risk factors for economic growth, there is potential for African economies to recover, rebuild, and rebound, particularly given the growing global demand for commodities, especially from China, and the prevailing high commodity prices. The benefits arising from the implementation of the African Continental Free Trade Agreement (AfCFTA), which will foster integration of African economies and thereby strengthen their resilience, will enhance the recovery of these economies. The continent's average GDP growth is therefore expected to stabilize at 4 percent in 2023–2024, up from 3.8 percent in 2022.

Despite the numerous challenges confronting the continent, the Management of the Bank and its subsidiaries are resolutely committed and focused on delivering on the Group's mandate and, in the process, will actively develop and implement comprehensive solutions to mitigate these global difficulties. These solutions will provide solid bases for economic recovery and enable the attainment and enhancement of sustainable long-term development on the continent. In this regard, the Group Management responded to the challenges of the year by:

- a) the Bank's launch of the Ukraine Crisis Adjustment Trade Financing Programme for Africa (UKAFPA) in March 2022, as a direct response to the adverse economic effects of the Ukraine crisis. As at 31 December 2022, the Bank had approved funded and unfunded requests approximating US\$8 billion (gross) under this programme, with the pipeline exceeding US\$13.7 billion. The approved UKAFPA facilities supported the importation of essential supplies such as oil, gas, fertilisers, grains, and agricultural inputs. Additionally, the programme supported member states in meeting maturing trade payments obligations, among others;
- b) the raising of US\$4.1 billion total equity capital to support the growth of the Bank and its subsidiaries through the Bank's general capital increase (GCI II). The capital paid in and callable amounted to US\$1.3 billion and US\$1.9 billion (US\$1.7 billion and US\$2.4 billion adjusted for the discount pricing), respectively. The GCI II aims to raise a total of US\$6.5 billion in fresh equity, with US\$2.6 billion in paid-in equity, which will support key elements of the Bank's Sixth Strategic Plan, such as boosting intra-African trade, deepening the implementation of the AfCFTA, expanding industrialisation and export manufacturing, and strengthening the financial capacity of the Bank;

- c) the renewal of US\$1 billion in support of the AfCFTA Adjustment Fund together with the Bank's Board approval of a grant of US\$10 million to enable the commencement of operations of the Base Fund component of the AfCFTA adjustment facility. The Bank's contribution forms part of the larger financial requirements that are necessary to ensure that member states adjust in an orderly manner to the new trading regime of "zero tariffs". The contribution into the Base Fund also compensates member countries for tariff revenue losses. The Bank is also diligently working with the AfCFTA Secretariat to mobilise other resources as part of the AfCFTA Adjustment Funds, having been appointed the managers of the Funds;
- d) in line with its Diaspora Strategy, entering into a Partnership Agreement with the constituent countries of the Caribbean Community (CARICOM) aimed at consolidating the Bank's efforts to promote and develop South-South trade, particularly between Africa and the Caribbean. Following the first Africa-Caribbean Trade and Investment Forum held in Barbados in September 2022, the Bank's Board approved US\$1.5 billion funding to enable member states of CARICOM that acceded to the Partnership Agreement, to tap into the Bank's various credit instruments. The Partnership Agreement grants Afreximbank the same privileges and immunities as granted by African States party to the Afreximbank Establishment Agreement;
- e) commercialisation of the operations of the Pan-African Payment and Settlement System (PAPSS), a payment platform promoted jointly with the African Union and the AfCFTA Secretariat, in January 2022. The African Union adopted this system to support and strengthen the implementation of the AfCFTA. Considerable progress was registered by 31 December 2022, with 9 central banks, 53 commercial banks, and 7 switches activated on the system. The commitment expressed by the Association of African Central Banks to seeing a smooth continent-wide rollout of PAPSS is reflective of the significant support and progress made on this project during the year;
- f) the development of the Africa Trade Exchange (ATEX) procurement platform, another flagship initiative, which was created in cooperation with the United Nations Economic Commission for Africa and the AfCFTA Secretariat. This initiative was conceived to support AfCFTA implementation but was repurposed during the year in response to the surge in import costs following the Ukraine crisis. Sizeable transactions were processed through the platform, enabling African States to realise the benefits of pooled procurement of critical imports. As at the end of the year, 915 entities had been onboarded for trading on the platform;
- g) FEDA entities attaining financial closure on investments worth US\$110 million. These investments are expected to play a critical role in facilitating industrialization, improving export development, and promoting intra-African trade growth as well as complementing the Group's efforts in ensuring the success of the AfCFTA. FEDA also advanced the first close of its fund, raising an amount of US\$670 million across all its platforms;
- h) During the year, AfrexInsure successfully concluded its first transaction. This was a remarkable achievement, and leveraging on the experience, expertise, and the Bank's clientele base, AfrexInsure is poised to be key in the provision of innovative and speciality insurance risk mitigation and management solutions to African businesses involved in trade and trade-related activities. The entry of AfrexInsure in the insurance management services industry opened significant potential and opportunities for the transformation of the insurance industry in Africa for both insurers and insureds, with potential to retaining significant premium income within Africa; and
- i) the official launch of the first African Quality Assurance Centre (AQAC) in Nigeria by the Bank in December 2022. This is part of the Bank's initiative to develop world-class quality assurance infrastructure across African countries. The completed centre, augmented by the additional ones to be replicated across Africa, will be equipped with state-of-the-art laboratories and instruments, thereby enabling comprehensive quality testing of products originating from Africa. This will ensure that African products meet the requisite international and technical standards and are therefore able to effectively compete, from a product quality point of view, with other internationally produced goods.

FINANCIAL HIGHLIGHTS

As for the Bank,

- Gross income and Operating income reached US\$1.5 billion and US\$1 billion, respectively, during the 2022 financial year;
- Compared to 2021, Net Interest Income increased by 29 percent to reach US\$909.8 million;
- Net Income increased by 18 percent to reach US\$455.2 million, compared to the prior year level of US\$387.3 million;

- Net Loans and advances, at US\$23 billion as at end of 2022, represented a 27 percent increase over the closing position of US\$18.1 billion at the end of 2021;
- Liquid assets of the Bank comprised 15 percent of the Bank's Total assets as at 31 December 2022, compared to the prior year level of 14 percent;
- The nonperforming loan (NPL) ratio as at 31 December 2022 stood at 3.40 percent compared to 3.35 percent at 31 December 2021;
- The Bank achieved a return on average shareholders' equity and a return on average assets of 9.91 percent (2021: 10.6 percent) and 1.87 percent (2021: 1.88 percent), respectively;
- Basic earnings per equivalent of fully paid shares of the Bank amounted to US\$6,040 (2021: US\$6,550); and
- The capital adequacy ratio closed at sound levels of 27 percent in 2022 (2021: 26 percent).

As for the Group,

- Net Income of the Group stood at US\$455.3 million compared to US\$375.8 million recorded in the 2021 financial year, a growth of 21 percent;
- The Group achieved a return on average shareholders' equity and a return on average assets of 9.91 percent (2021: 10.6 percent) and 1.87 percent (2021: 1.82 percent), respectively; and
- The basic earnings per equivalent of fully paid shares of the Group for the year ended 31 December 2022 was US\$6,040 (2021: 6,355).

A further detailed analysis of the consolidated results is presented hereunder:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Net Interest Income and Margin

Because of the significance of the Bank's contribution to Interest income, the Group's performance on Net interest income and margin mirrors that of the Bank. Net Interest Income of the Bank grew by 29 percent to reach US\$909.8 million (2021: US\$703.3 million). This was largely driven by a 38 percent increase in Interest income which reached US\$1.4 billion for the year ended 31 December 2022, and a 56 percent increase in Interest expenses. The growth in the Bank's portfolio of Loans and advances, in combination with increased yields on account of increasing benchmark rates, contributed to the significant increase in Interest income. The Interest expense for the year ended 31 December 2022 was higher than for the previous year, mainly due to the increased average cost of borrowings caused by the accelerated upswing in benchmark interest rates.

The Net interest margin for the Bank at 3.83 percent, improved compared to the prior year level of 3.54 percent. The favorable results reflected the impact of higher Interest income recorded during the year on account of increased levels of average interest-bearing assets as well as relatively higher yields achieved on Loans and advances. The higher yields were triggered by the rise in benchmark rates. Despite the negative impact of rising benchmark rates on the average cost of borrowing, the cost-effective funding mix, against a backdrop of a relatively unchanged level of borrowing, positively influenced the growth in the Net interest margin.

Non-Interest Income

Total Fees and commission income for the Group substantially mirrored those achieved by the Bank and amounted to US\$104.7 million (2021: US\$114.8 million). Reported fees were largely driven by the Bank's income arising from Guarantees and Letters of credit. Income from Guarantees and Letters of credit grew by 39 percent to reach US\$68 million for the year ended 31 December 2022, influenced by the 7 percent growth in the total portfolio of Guarantees and Letters of credit, which closed the period at US\$3.2 billion (2021: US\$3 billion). The 39 percent growth in Guarantees and Letters of credit fees was in line with the Bank's strategic goal of growing unfunded activities as well as the Bank's plan to enhance its fee-based income. The Bank earned Advisory fees income of US\$33.9 million during the year ended 31 December 2022, (2021: US\$64.8 million). This decrease in Advisory fees was largely attributable to relatively fewer advisory mandates concluded during the year.

OPERATING EXPENSES

The Operating expenses of the Bank increased by 18%, reaching US\$220.1 million (2021: US\$186.3 million). Though the Bank's expenses were within budget, the relatively higher year-on-year growth in total Operating expenses in 2022 over 2021 was mostly driven by a 16 percent increase in Personnel expenses and a 19 percent increase in Administrative expenses. For the year ended 31 December 2022, Personnel and Administrative-related expenses reached US\$95.7 million and US\$110.3 million, respectively.

In a managed way, the Bank and its subsidiaries strengthened the human capital resource base so as to effectively deliver on the targeted business growth and on the implementation of various strategic initiatives as set out in the Sixth Strategic Plan. In addition to higher business travel and in-person statutory meetings following the substantial containment of the COVID-19, the growth in the Bank's and its subsidiaries' Administrative expenses were primarily due to significant inflationary pressures.

Depreciation and amortisation expenses for the year ended 31 December 2022 increased by 21 percent to reach US\$14 million. This increase was largely due to increased depreciable assets of the Bank.

The Group's total Operating expenses for the year ended 31 December 2022 amounted to US\$225.7 million (2021: US\$197.8). The Bank accounted for 98 percent (2021: 94 percent) of these expenses. The Operating expenses of the subsidiary entities were US\$5.6 million for the year ended 31 December 2022 and mainly comprised Personnel costs and Administrative expenses incurred by FEDA entities and AfrexInsure. In 2021, the subsidiary entities' costs totaled US\$11.4 million and mainly comprised pre-incorporation costs.

The Cost to Income ratio for the Bank for the year ended 31 December 2022 stood at 21 percent (2021: 23 percent) and was in line with the Bank's strategic target range of 17 percent to 30 percent. Over the same period, the Cost to Income ratio of the Group was 22 percent (2021: 24 percent). This improved level of efficiency at both the Bank and Group levels reflected deliberate implementation of efficiency measures.

EXPECTED CREDIT LOSSES (ECL) ON FINANCIAL INSTRUMENTS

The charge to the Group's Statement of Profit or Loss and Other Comprehensive Income in respect of Expected Credit losses (ECL) on financial instruments amounted to US\$374.6 million for the year ended 31 December 2022 (2021: US\$233.38 million). This ECL charge only relates to the Bank because the Bank is the only entity within the Group currently holding financial assets that are subject to IFRS-9 impairment. The increase in the ECL charge for the year is, in the main, due to the increase in lending activities, as evident in the 27 percent increase in gross Loans and advances.

The cumulative ECL with respect to Loans and advances accounted for 92 percent of the total cumulative ECL as at 31 December 2022, (2021: 87 percent). This was because Loans and advances contributed 61 percent (2021: 63 percent) of the Bank's Total financial assets (including unfunded balances) falling within the scope of IFRS-9.

Table 1 IFRS-9 staging of the Bank's loans and advances

IFRS 9 STAGING - LOANS AND ADVANCES				
	31 December 2022			
	FY'2022			
	Stage 1	Stage 2	Stage 3	Total
	US\$000	US\$000	US\$000	US\$000
Gross Amount	21,099,883	1,914,034	808,810	23,822,727
Loss allowance	(52,854)	(259,204)	(334,988)	(647,047)
Modification loss	-	-	(882)	(882)
Suspended interest	-	-	(208,457)	(208,457)
Total provisions	(52,854)	(259,204)	(544,327)	(856,386)
Carrying amount	21,047,029	1,654,830	264,483	22,966,341

IFRS 9 STAGING - LOANS AND ADVANCES				
	31 December 2021			
	FY'2021			
	Stage 1	Stage 2	Stage 3	Total
	US\$000	US\$000	US\$000	US\$000
Gross Amount	16,221,944	1,851,768	628,416	18,702,128
Loss allowance	(47,415)	(162,403)	(203,660)	(413,478)
Modification loss	-	(1,650)	-	(1,650)
Suspended Interest	-	-	(175,165)	(175,165)
Total provisions	(47,415)	(164,053)	(378,825)	(590,293)
Carrying amount	16,174,530	1,687,715	249,590	18,111,835

Stage 1 - Financial instruments with no significant increase in credit risk since recognition or having low credit risk at reporting date.

Stage 2 - Financial instruments with significant increase in credit risk since recognition but do not have objective evidence of impairment.

Stage 3 - Financial instruments with objective evidence of impairment at reporting date.

As shown in Table 1, Total loan facilities of the Bank classified under IFRS-9, as Stage 1 and Stage 2 on 31 December 2022, represented 97 percent (2021: 97 percent) of the Bank's total gross Loans and advances. This is indicative of the consistently sound quality of the Bank's portfolio and the low probability of significant losses arising in the near term. The asset quality was within the Bank's risk appetite levels. The NPL ratio at 31 December 2022 was 3.40 percent (2021: 3.35 percent). In addition, the provisions coverage ratio on Loans and advances, at 100 percent (2021: 115 percent), was well within the internal minimum threshold of 100 percent. The ECL coverage ratio on Loans and advances was 2.72 percent (2021: 2.22 percent).

The consistently sound quality of the Loans and advances portfolio, despite the increasingly challenging trading environment, is a direct result of prudent Structured Trade Finance-based lending mechanisms and the benefits of Preferred Creditor Treatment across the Bank's member countries. It also demonstrates the Bank's deep knowledge of the African markets.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The Consolidated Statement of financial position shows the position of the Bank and the Group's assets and liabilities as well as the Shareholders' funds as at 31 December 2022. A detailed discussion of the Group's assets and liabilities for the year ended 31 December 2022 is presented hereunder.

ASSETS

Total assets of the Group grew by 28 percent from US\$21.8 billion as at 31 December 2021 to US\$27.9 billion as at 31 December 2022. The Bank remained the significant contributor to the Group's Total assets. The growth in Group assets is largely on account of a 27 percent increase in net Loans and advances and a 35 percent increase in Cash and cash equivalents which closed 31 December 2022 at US\$23 billion and US\$4.1 billion, respectively. These two line items accounted for 97 percent of the Group's Total assets at the end of 2022 and 2021.

In line with Management's expectation and consistent with the improved capital position of the Bank and the Group, Net Loans and advances increased from US\$18.1 billion to US\$23 billion, mainly driven by UKAFPA facilities. The Loans and advances accounted for 82 percent of the Total assets of the Group as at 31 December 2022, (2021: 83 percent).

At the reporting date, the Bank's liquid assets accounted for 15 percent (2021: 14 percent) of Total assets of the Group. The high liquidity levels maintained will enable the Bank to achieve its planned loan disbursements and to meet maturing obligations for 2023 and beyond. Additionally, high liquidity levels will enable the Bank to intervene in response to any unplanned credit requests occasioned by the current global turmoil and market uncertainties.

Included in the Group's Total assets as at 31 December 2022, were FEDA's Investments and Property and equipment amounting to US\$153.8 million (2021: US\$38.1 million) and US\$0.2 million (2021: US\$nil), respectively.

Guarantees and Letters of credit portfolio grew by 7% percent to reach US\$3.2 billion as at 31 December 2022, (2021: 3 billion). This resulted in the Bank's Total assets and unfunded exposures to close the year at US\$31.1 billion (2021: US\$24.9 billion). This growth aligns with the Bank's strategic objective of increasing its unfunded activities.

LIABILITIES

The Group's Total liabilities amounted to US\$22.7 billion as at 31 December 2022, this represented a 27 percent increase from the US\$17.9 billion reported as at 31 December 2021 and largely comprised the Bank's liabilities. The increase in Total liabilities to US\$22.7 billion as at 31 December 2022 was largely on account of US\$2.4 billion in additional deposits from customers (Deposits and customer accounts), US\$2.2 billion from bilateral and syndication facilities (Due to banks) and US\$0.3 billion from Money market deposits. Debt securities in issue at US\$3.3 billion (2021: US\$3.4 billion), remained largely unchanged.

As at 31 December 2022, Total borrowings (Due to banks and Debt securities in issue) accounted for 58 percent of the Bank's liabilities (2021: 58 percent). Deposits and customer accounts accounted for 33 percent of the Bank's Total liabilities (2021: 21 percent) and money market deposits accounted for 7 percent of the Bank's Total liabilities (2021: 7 percent). This funding mix enabled the Bank to maintain a healthy balance of cost of Borrowing despite the steep rise in benchmark rates during the year. Additionally, the Group maintained sufficient liquidity and financed the sustainable growth in Loans and advances.

Included in the Group's Total Liabilities position as at 31 December 2022 was a total of US\$3.4 million relating to liabilities payable by subsidiary entities to third parties.

SHAREHOLDERS' FUNDS

The Group Shareholders' funds, which largely mirrored the Bank's Shareholders' funds, recorded a solid growth of 32 percent to reach US\$5.2 billion as at 31 December 2022 (2021: US\$4 billion). This growth was largely attributable to the US\$892.2 million in fresh equity contributions received during the year in support of the GCI II programme. Net income of US\$342.5 million generated during the year, net of 2021 appropriated dividends, also contributed to the growth in Shareholders' funds. The Bank's callable capital, a significant proportion of which was credit enhanced as part of the Bank's capital management strategy, amounted to US\$3.2 billion as at 31 December 2022 (2021: US\$1.82 billion).

CONCLUSIONS AND OUTLOOK

Despite the difficult global operating environment, the results of the Group for the financial year ended December 2022 were ahead of the reported results for the prior year in respect of assets, liquidity, and profitability. The Bank's solid financial performance in 2022 reflected strong earnings growth, solid asset growth, consistently high asset quality, and improved efficiency.

The world economic landscape and the financial markets remain complex and constantly evolving. A range of factors will continue to influence global economic growth, including geopolitics, pandemics, and natural disasters. Of particular concern to Management is the effect of the duration and intensity of the ongoing Ukraine crisis on African economies. There is potential for this major economic risk factor to affect Africa through continued supply chain disruptions, and through reduced economic activity, which may trigger volatility in the financial markets and subdue foreign investment, with possible adverse consequences on interest rates, inflation, and depreciation of local currencies.

Mindful of the effects of the factors affecting the global economic environment, the Management of the Bank, and its subsidiaries (the Group Management) remains resolutely alert and committed to delivering on the Bank's mandate and strategic priorities. In this regard, the focus will be on developing and implementing, on a timely basis, innovative solutions to mitigate the constantly evolving global challenges. These solutions will, no doubt, provide solid bases for economic recovery of African economies and set them up for sustainable growth paths.

The Group Management will continue to proactively create and implement appropriate solutions for the benefit of the member states while focusing on the financial sustainability of the Bank. Accordingly, to ensure sustainable growth, due attention will be given to risk management, sound liquidity, and enhancement of efficiencies in the delivery of the Group's services.



BANK FINANCIAL RATIOS

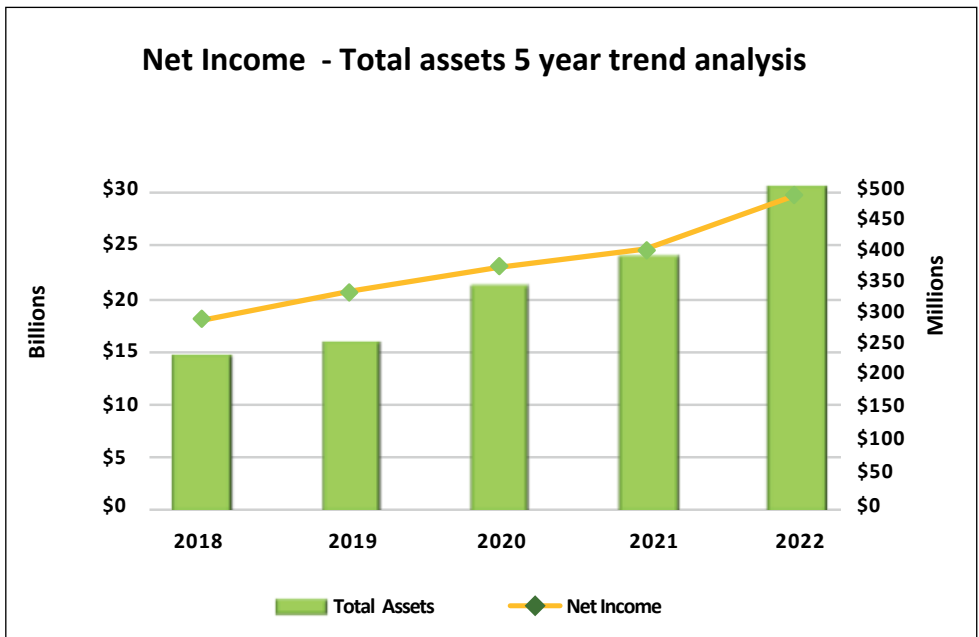
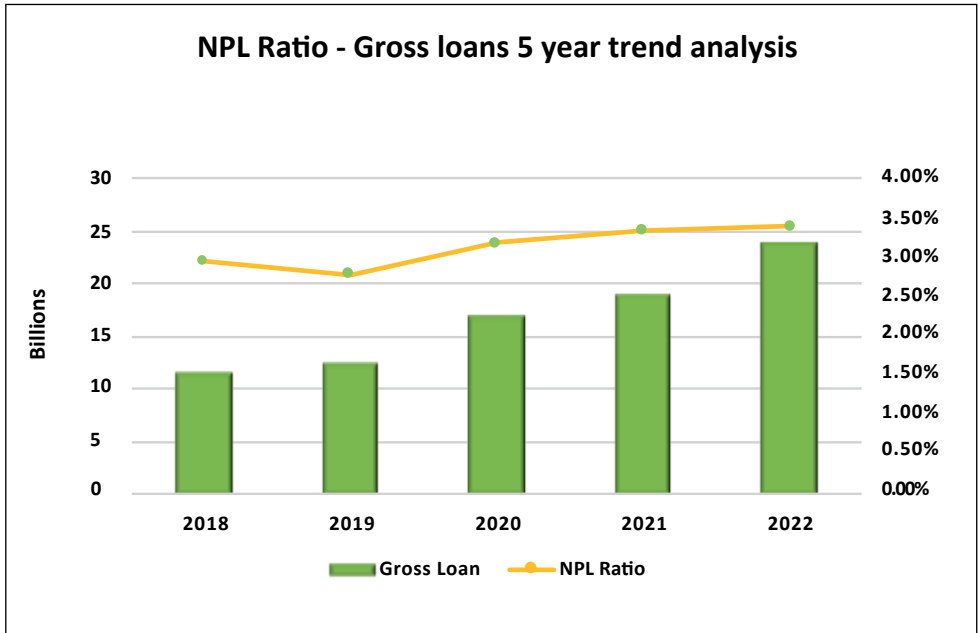
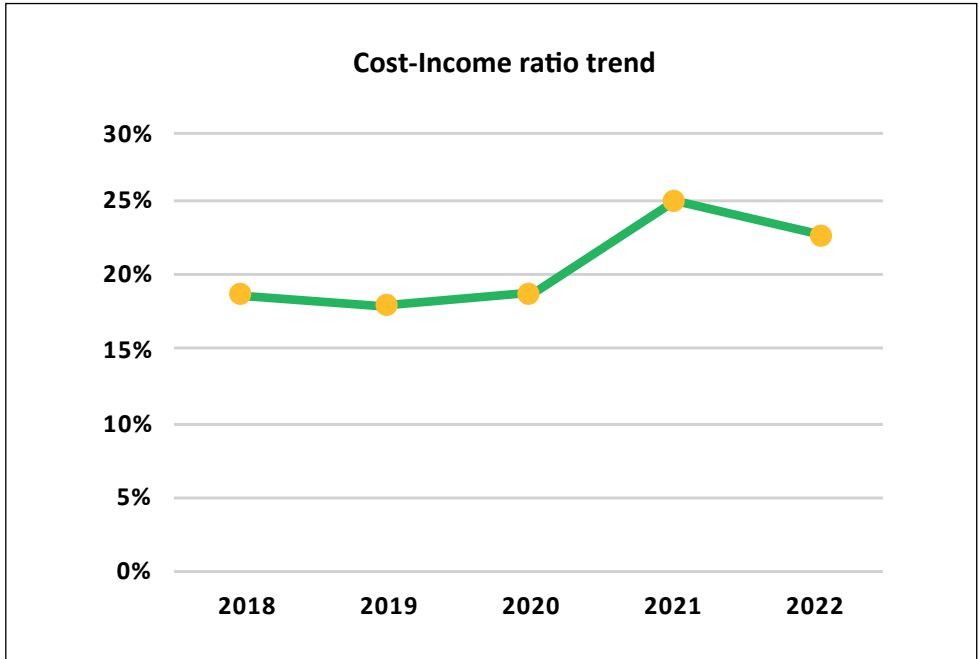
CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION AS AT
31 DECEMBER 2022

	Dec-22	Dec-21	GROUP		BANK		1 January 2021 US\$000	
			2022 US\$000	2021 US\$000	2022 US\$000	2021 US\$000		
Profitability								
Return on Average Assets (ROAA)	1.87%	1.82%						
Return on Average Equity (ROAE)	9.91%	11%						
Operating efficiency								
Cost-to-income ratio	21%	23%						
Asset Quality								
Nonperforming loans ratio (NPL)	3.40%	3.35%						
Loan loss coverage ratio	100%	115%						
Liquidity								
Cash/Total assets	15%	14%						
Capital Adequacy								
Capital Adequacy ratio	27%	26%						
			ASSETS					
			Cash and cash equivalents	4 099 624	3 047 771	4 099 238	3 047 771	2 717 453
			Derivative assets held for risk management	-	-	-	-	5 704
			Financial assets at fair value through profit or loss	196 263	136 237	42 500	98 177	-
			Loans and advances to customers*	22 966 341	18 111 835	22 966 341	18 111 835	16 246 984
			Prepayments and receivables	126 945	103 991	126 969	108 288	104 846
			Financial assets at amortised cost	244 118	243 646	244 118	243 646	93 590
			Other assets	55 981	75 863	56 940	75 659	11 184
			Property and equipment	162 213	101 298	162 002	101 298	58 031
			Intangible assets	11 506	13 201	11 506	13 201	13 951
			Investment in subsidiaries	-	-	184 380	66 479	-
			Total Assets	27 862 991	21 833 842	27 893 994	21 866 354	19 251 743
			LIABILITIES					
			Derivative liabilities held for risk management	48 578	16 681	48 578	16 681	1 953
			Money market deposits	1 664 654	1 411 075	1 664 654	1 411 075	823 416
			Due to banks*	9 146 841	6 975 927	9 146 841	6 975 927	7 282 240
			Deposits and customer accounts	8 246 748	5 817 214	8 268 791	5 840 633	4 470 126
			Debt securities in issue*	3 368 112	3 467 106	3 368 112	3 467 106	3 109 100
			Other liabilities and provisions*	181 265	193 482	178 860	191 091	197 940
			Total liabilities	22 656 198	17 881 486	22 675 836	17 902 513	15 884 775
			CAPITAL FUNDS					
			Share capital	849 504	647 312	849 504	647 312	583 524
			Share premium	1 909 267	1 219 219	1 909 267	1 219 219	1 029 964
			Warrants	183 914	160 952	183 914	160 952	122 128
			Reserves	1 156 592	996 969	1 156 592	996 969	858 451
			Retained earnings	1 107 516	927 904	1 118 881	939 389	772 900
			Total capital funds	5 206 793	3 952 356	5 218 158	3 963 841	3 366 968
			Total liabilities and capital funds	27 862 991	21 833 842	27 893 994	21 866 354	19 251 743

* These financial statement line items were restated as disclosed in the prior year restatement note.

CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED
31 DECEMBER 2022

	GROUP		BANK	
	2022 US\$000	2021 US\$000	2022 US\$000	2021 US\$000
Interest income using the effective interest method	1 390 530	1 007 051	1 390 530	1 007 051
Interest expense using the effective interest method	(474 848)	(305 039)	(474 848)	(305 039)
Other interest (expenses)/income	(5 378)	1 332	(5 832)	1 332
Net interest income	910 303	703 343	909 849	703 343
Fee and commission income	104 717	114 823	104 717	114 823
Fee and commission expense	(6 216)	(7 998)	(6 216)	(7 998)
Net fee and commission income	98 501	106 825	98 501	106 825
Other operating income	22 518	11 292	22 518	11 292
Personnel expenses	(99 811)	(88 339)	(95 750)	(81 891)
General and administrative expenses	(111 832)	(97 843)	(110 326)	(92 806)
Depreciation and amortisation expense	(14 026)	(11 595)	(13 983)	(11 595)
Exchange adjustments	22 659	(19)	23 133	(19)
Fair value gains/(losses) from financial instruments at fair value through profit or loss	1 619	(14 477)	(4 130)	(14 477)
Credit losses on financial instruments	(374 640)	(233 378)	(374 640)	(233 378)
PROFIT FOR THE YEAR	455 291	375 811	455 171	387 294
OTHER COMPREHENSIVE INCOME				
Other comprehensive income not to be reclassified to profit or loss in subsequent periods				
(Loss)/gains on revaluation of land and buildings	(3 314)	5 633	(3 314)	5 633
Total items that will not be reclassified to profit or loss in subsequent periods	(3 314)	5 633	(3 314)	5 633
Total other comprehensive (loss)/income	(3 314)	5 633	(3 314)	5 633
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	451 977	381 443	451 857	392 927
Earnings per share				
Basic earnings per share (expressed in US\$000 per share)	6.04	6.36	6.04	6.55
Diluted earnings per share (expressed in US\$000 per share)	2.56	2.73	2.55	2.82



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Share Capital US\$000	Share Premium US\$000	Warrants US\$000	General Reserve US\$000	Asset Revaluation Reserve US\$000	Project preparation facility Fund reserve US\$000	Retained Earnings US\$000	Total US\$000
Balance as at 1 January 2022	647,312	1,219,219	160,952	938,629	46,156	12,184	927,904	3,952,357
Total comprehensive income								
Profit for the period	-	-	-	-	-	-	455,291	455,291
Other comprehensive income								
Asset revaluation reserve	-	-	-	-	(3,314)	-	-	(3,314)
Total other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-	-	-
Transactions with equity owners of the Bank								
Transfer to/(from) reserves	-	-	-	166,264	-	(1,207)	(165,057)	-
Depreciation transfer: buildings	-	-	-	-	(2,120)	-	2,120	-
Warrants issue	-	-	22,962	-	-	-	-	22,962
Warrants retirement	-	-	-	-	-	-	-	-
Issued and paid in capital during the year	202,192	690,048	-	-	-	-	-	892,240
Dividends declared out of profit for the year ended 31 December 2021	-	-	-	-	-	-	(112,743)	(112,743)
Balance as at 31 December 2022	849,504	1,909,267	183,915	1,104,894	40,722	10,977	1,107,516	5,206,793
Balance as at 1 January 2021	583,524	1,029,964	122,128	801,353	42,098	15,000	772,900	3,366,967
Total comprehensive income								
Profit for the year	-	-	-	-	-	-	375,810	375,810
Other comprehensive income								
Asset revaluation reserve	-	-	-	-	5,633	-	-	5,633
Total other comprehensive income	-	-	-	-	-	-	-	5,633
Total comprehensive income	-	-	-	-	-	-	-	381,443
Transactions with equity owners of the Bank								
Transfer to/(from) reserves	-	-	-	137,276	-	(2,816)	(134,460)	-
Depreciation transfer: buildings	-	-	-	-	(1,575)	-	1,575	-
Warrants issue	-	-	68,994	-	-	-	-	68,994
Warrants retirement	-	-	(30,170)	-	-	-	-	(30,170)
Issued and paid in capital during the year	63,788	189,255	-	-	-	-	-	-
Dividends declared out of profit for the year ended 31 December 2020	-	-	-	-	-	-	(87,921)	(87,921)
Balance as at 31 December 2021	647,312	1,219,219	160,952	938,629	46,156	12,184	927,904	3,952,357

SEPARATE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Share Capital US\$000	Share Premium US\$000	Warrants US\$000	General Reserve US\$000	Asset Revaluation Reserve US\$000	Project preparation facility Fund reserve US\$000	Retained Earnings US\$000	Total US\$000
Balance as at 1 January 2022	647,312	1,219,219	160,952	938,629	46,156	12,184	939,389	3,963,842
Total comprehensive income								
Profit for the period	-	-	-	-	-	-	455,171	455,171
Other comprehensive income								
Asset revaluation reserve	-	-	-	-	(3,314)	-	-	(3,314)
Total comprehensive income	-	-	-	-	-	-	-	451,857
Transactions with equity owners of the Bank								
Transfer to/(from) reserves	-	-	-	166,264	-	(1,207)	(165,057)	-
Depreciation transfer: buildings	-	-	-	-	(2,120)	-	2,120	-
Warrants issue	-	-	22,962	-	-	-	-	22,962
Issued and paid in capital during the year	202,192	690,048	-	-	-	-	-	892,240
Dividends declared out of profit for the year ended 31 December 2021	-	-	-	-	-	-	(112,743)	(112,743)
Balance as at 31 December 2022	849,504	1,909,267	183,915	1,104,894	40,722	10,977	1,118,881	5,218,159
Balance as at 1 January 2021	583,524	1,029,964	122,128	801,353	42,098	15,000	772,900	3,366,967
Total comprehensive income								
Profit for the year	-	-	-	-	-	-	387,295	387,295
Other comprehensive income								
Asset revaluation reserve	-	-	-	-	5,633	-	-	5,633
Total other comprehensive income	-	-	-	-	-	-	-	5,633
Total comprehensive income	-	-	-	-	-	-	-	392,928
Transactions with equity owners of the Bank								
Transfer to/(from) reserves	-	-	-	137,276	-	(2,816)	(134,460)	-
Depreciation transfer: buildings	-	-	-	-	(1,575)	-	1,575	-
Warrants issue	-	-	68,994	-	-	-	-	68,994
Warrants retirement	-	-	(30,170)	-	-	-	-	(30,170)
Issued and paid in capital during the year	63,788	189,255	-	-	-	-	-	253,043
Dividends declared out of profit for the year ended 31 December 2020	-	-	-	-	-	-	(87,921)	(87,921)
Balance as at 31 December 2021	647,312	1,219,219	160,952	938,629	46,156	12,184	939,389	3,963,841

CONSOLIDATED AND SEPERARE STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	GROUP		BANK	
	2022 US\$000	2021 US\$000	2022 US\$000	2021 US\$000
CASH FLOW FROM OPERATING ACTIVITIES				
Profit for the period	455 291	375 810	455 171	387 295
Adjustment for net interest income and non-cash items:				
Expected credit losses on financial instruments	374 640	233 378	374 640	233 378
Depreciation of property and equipment	10 358	8 008	10 358	8 008
Amortisation of intangible assets	4 872	3 587	4 872	3 587
Other non-cash income	(20)	-	(20)	-
Net interest income	(909 849)	(703 344)	(909 849)	(703 344)
Net exchange differences	-	-	-	-
Fair value (gain)/loss from financial instruments at fair value through profit or loss	(1 619)	14 477	4 130	14 477
Cash used in operations before changes in operating assets and liabilities	(66 327)	(68 085)	(60 698)	(56 599)
Changes in:				
Financial assets at fair value through profit or loss	55 677	(98 983)	55 677	(98 983)
Loans and advances to customers	(5 074 633)	(1 857 705)	(5 074 633)	(1 857 705)
Prepayments and receivables	(19 202)	(10 539)	(14 957)	(22 025)
Other assets	20 316	(64 474)	19 153	(64 474)
Derivatives liabilities held for risk management	27 766	5 955	27 766	5 955
Money market deposits	253 579	587 658	253 579	587 658
Deposits and customer accounts	2 429 534	1 370 507	2 428 159	1 370 507
Other liabilities and provisions	(14 886)	(10 282)	(14 901)	(10 282)
Cash used in operating assets and liabilities	(2 388 176)	(145 947)	(2 380 854)	(145 947)
Interest received	1 246 530	721 889	1 246 530	721 889
Interest paid	(389 200)	(280 510)	(389 200)	(280 510)
Net cash (used in)/generated from operating activities	(1 530 846)	295 432	(1 523 525)	295 432
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for property and equipment	(73 506)	(45 643)	(73 266)	(45 643)
Payments for software and development costs	(3 178)	(2 837)	(3 178)	(2 837)
Proceeds from sale of property and equipment	20	-	20	-
Purchase of financial assets held at amortised cost	-	(174 683)	-	(174 683)
Purchase of financial assets held at fair value through profit or loss	(109 954)	(38 060)	-	-
Investments in subsidiaries	-	-	(117 901)	(38 060)
Proceeds from sale of financial assets held at amortised cost	-	30 324	-	30 324
Net cash used in investing activities	(186 618)	(230 899)	(194 325)	(230 900)
CASH FLOWS FROM FINANCING ACTIVITIES				
Issued and paid in capital during the year	826 608	205 700	826 608	205 700
Proceeds from issue of warrants	22 962	68 994	22 962	68 994
Retirement of warrants	-	(30 170)	-	(30 170)
Dividends paid	(56 815)	(38 826)	(56 815)	(38 826)
Proceeds from due to banks and debt securities in issue	4 257 620	4 722 026	4 257 620	4 722 026
Repayment of due to banks and debt securities in issue	(2 272 131)	(4 661 938)	(2 272 131)	(4 661 938)
Net cash inflows from financing activities	2 778 244	265 786	2 778 244	265 786
Net increase in cash and cash equivalents	1 060 780	330 318	1 060 395	330 318
Cash and cash equivalents at the beginning of the financial year	3 047 771	2 717 453	3 047 771	2 717 453
Effect of exchange rate fluctuations on cash and cash equivalents held	(8 928)	-	(8 928)	-
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	4 099 624	3 047 771	4 099 238	3 047 771

PRIOR PERIOD RESTATEMENTS

Prior period restatements on Loans and advances to customers and Other liabilities and provisions

In prior years, discounted instruments included in loans and advances to customers were incorrectly reported gross of the unearned interest income. The comparative numbers as at 31 December 2021 and the opening statement of financial position as at 1 January 2021 were restated to reflect this correction. At 31 December 2021 and at 1 January 2021, the Bank reclassified the unearned interest income amounting to US\$64.4 million and US\$55.1 from Other liabilities and provisions to Loans and advances, unearned interest income amounting to US\$64.4 million and US\$55.1 from Other liabilities and provisions to Loans and advances, December 2021 and at 1 January 2021 of US\$64.4 million and US\$55.1 million, respectively. This correction of this error had no impact on the Bank's reported profitability and net asset position.

Prior period restatement on Due to banks, Debt securities in issue and Other liabilities and provisions

In the prior years, the Bank incorrectly classified accrued interest on Due to banks and Debt securities in issue under Other liabilities and provisions. The comparative numbers as at 31 December 2021 and the opening statement of financial position as at 1 January 2021 were restated to reflect this correction. The retrospective adjustments resulted in an increase in Due to banks and Debt securities in issue, and decrease in Other liabilities and provisions as shown in note 40.3. The afore-mentioned reclassification has no effect on reported total assets and total liabilities as at 31 December 2021 and as at 1 January 2021.

Impact of restatements

The tables below summarises the impact of the prior period errors on the affected financial statement line items:

	GROUP AND BANK					
	Previously stated amount	Adjustment	Restated amount	Previously stated amount	Adjustment	Restated amount
	31 December 2021	31 December 2021	31 December 2021	1 January 2021	1 January 2021	1 January 2021
	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000
Assets						
Loans and advances to customers	18 176 235	(64 400)	18 111 835	16 302 118	(55 134)	16 246 984
Net decrease in total assets			64 400			55 134
Liabilities						
Due to banks	6 928 655	47 272	6 975 927	7 228 681	53 559	7 282 240
Debt securities in issue	3 443 084	24 022	3 467 106	3 082 970	26 130	3 109 100
Other liabilities and provisions	329 177	(135 695)	193 482	332 764	(134 824)	197 940
	10 700 916	(64 400)	10 636 516	10 644 415	(55 134)	10 589 280
Net decrease in total liabilities			64 400			55 134

ABOUT AFRICAN EXPORT IMPORT BANK

MANDATE

African Export-Import Bank (the Bank) is a multilateral trade finance institution, established in October 1993. It commenced operations in September 1994. The Bank's mandate is to promote, finance and facilitate intra-and extra-African trade while operating commercially. The Bank is headquartered in Cairo, Egypt.

AFREXIMBANK WHOLLY OWNED SUBSIDIARY ENTITIES

The Bank has 100% controlling interests in FEDA Holdings, FEDA Investments Company and FEDA Capital (collectively known as FEDA entities) which were incorporated in December 2021. FEDA was established by Afreximbank to facilitate foreign direct investment flows into Africa's trade and export sectors and to fill the equity funding gap in the continent. The Bank incorporated Afreximbank Insurance Management Company (AfrexInsure) towards the end of 2021. The objective of this vehicle is to help Africa to retain, on the continent, a sizeable proportion of trade related written insurance premiums. With effect from 31 December 2021, the Bank started consolidating the FEDA entities and AfrexInsure.

SHAREHOLDING

The Bank's shareholding is as shown in the table below:

Class	Type of Shareholder	Percentage of total shareholding (%)
A	African Governments and or their designated institutions and African Multilateral institutions	61.96
B	African financial institutions, and private investors in Africa	27.44
C	Non-African institutions	7.18
D	Any investor – Depository Receipts issued by the Bank on the Stock Exchange of Mauritius	3.42

NET ASSET VALUE

The Group's NAV shown below is calculated taking into account the impact of the Warrants in issue:

	31 December 2022	31 December 2021
NAV per share (US\$)	58,500	58,013
NAV per Depository Receipt (US\$)	5.85	5.80

DIVIDENDS

Given the higher Net income achieved during the year and in line with historical trends, the Board of Directors recommends a dividend payout amounting to US\$159,351,899 (2021: US\$112,742,924) to shareholders, which is equivalent to a 35 percent (2021: 30 percent) payout ratio.

In making its recommendation on the level of dividends, the Board of Directors took into consideration, amongst other issues, the Bank's tradition of maintaining higher dividends payments to shareholders as well as meeting the objective of continuing with a steady growth in dividend payments. The other factors considered included profit performance, inflation, and capital adequacy as well as the need to retain earnings to support ongoing business growth and thereby balance internal and external financing. As the Bank is raising capital to support business growth, shareholders will have an option of acquiring additional ordinary shares of the Bank by receiving shares in lieu of dividend entitlement.

NOTES

The Bank is required to publish financial results for the year ended 31 December 2022 as per Listing Rule 12.19 of the SEM. The abridged audited consolidated financial statements for the year ended 31 December 2022 (“financial statements”) have been prepared in accordance with the requirements of IFRS and the SEM Listing Rules.

The accounting policies adopted in the preparation of these financial statements are consistent with those applied in the preparation of the audited financial statements for the year ended 31 December 2021.

The abridged financial statements have been audited and reported on by the Bank’s external auditors.

Copies of the abridged audited financial statements and the Statement of direct and indirect interests of each officer of the Bank, pursuant to Rule8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007, are available free of charge, upon request to the Executive Secretary at the Registered Office of the Bank at No.72(B) El-Maahad El-Eshteraky Street, Heliopolis, Cairo 11341, Egypt.

This communique is issued pursuant to SEM Listing Rules 11.3 and 12.20 and Section 8.8 of the Securities Act of Mauritius 2005. The Board of Directors accepts full responsibility for the accuracy of the information contained in these financial statements. Directors are not aware of any matters or circumstances arising subsequent to the period ended 31 December 2022 that require any additional disclosure or adjustment to the financial statements.

On Behalf of the Board

African Export Import Bank

Executive Secretary

SBM Securities Limited

SEM Authorised Representative and Sponsor

13 April 2023



FORWARD-LOOKING STATEMENTS

This document has information which constitute forward looking statements as described with words like “should”, “would”, “may”, “could”, “expect”, “anticipate”, “estimate”, “project”, “intend”, “believe”.

By their very nature, these statements require Management to make assumptions that are subject to risks and uncertainties, especially uncertainties related to the financial, economic, regulatory, and social environment within which the Group operates. Some of these risks are beyond the control of the Group and may make actual results that are obtained to vary materially from the expectations inferred from the forward-looking statements. Risk factors that could cause such differences include regulatory pronouncements, credit, market (including equity, commodity, foreign exchange, and interest rate), liquidity, operational, reputational, insurance, strategic, legal, environmental, and other known and unknown risks. As a result, when making decisions with respect to the Bank, subsidiary entities, or the Group as a whole, we recommend that readers apply further assessment and should not unduly rely on the forward-looking statements.

Any forward-looking statement contained in this document represents the views of Management and the Board of Directors as of the date hereof and they are presented for the purpose of assisting the Group’s investors and analysts to understand the Group financial position, priorities, anticipated financial performance in relation to the current period, and, as such, may not be appropriate for other purposes. Management does not undertake to update any forward-looking statement, whether written or verbal, that may be made from time to time, by it or on its behalf, except as required under applicable relevant regulatory provisions or requirements.

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